

Gulf Aviation Academy orders CAE 7000 Series Embraer 170/190 simulator

• Order replaces A330/340 FFS signed last June

Kingdom of Bahrain, January 22, 2010 – (NYSE: CAE; TSX: CAE) – CAE announced today at the first-ever Bahrain International Air Show that it has signed a change order contract amendment with Gulf Aviation Academy (GAA) for a CAE 7000 Series Embraer 170/190 full-flight simulator (FFS). The change order amends a contract signed in June 2009 by GAA's parent company, Bahrain Mumtalakat Holding Company ("Mumtalakat"), and reflects their decision to switch an A330/340 simulator to an Embraer 170/190 FFS.

GAA is fully-owned by Mumtalakat, the investment arm of the Kingdom of Bahrain. Talal Al Zain, Chief Executive Officer of Mumtalakat, and Jeff Roberts, CAE's Group President, Civil Simulation Products, Training and Services, were on-hand at the Bahrain International Air Show to sign the change order.

"I am pleased to announce the acquisition of an Embraer 170/190 simulator for the Gulf Aviation Academy's new training centre in Bahrain," said Mr. Al Zain. "We aim to provide top quality, end-to-end aviation training solutions to commercial airlines in the Middle East and North Africa region, and will continue to make investments that meet the growing regional demand for pilot training as well as create job opportunities and financial growth in Bahrain."

The CAE 7000 Series Embraer 170/190 FFS will be delivered later this year to Gulf Aviation Academy's new training centre, which currently includes a CAE 5000 Series A320 FFS with another CAE 5000 Series A320 FFS to be delivered soon. The Embraer 170/190 simulator, which will be only the second of its type in the region, will feature the CAE Tropos-6000 visual system and CAE True electric motion system.

"We are excited about our relationship with Gulf Aviation Academy," said Jeff Roberts. "In the civil aviation market, only CAE offers a diversified portfolio of products, services and capabilities that allow us to tailor a range of aviation training solutions to our customers' requirements."

CAE is a world leader in providing simulation and modelling technologies and integrated training solutions for the civil aviation industry and defence forces around the globe. With annual revenues exceeding C\$1.6 billion, CAE employs more than 6,500 people at more than 90 sites and training locations in 20 countries. We have the largest installed base of civil and military full-flight simulators and training devices. Through our global network of 29 civil aviation and military training centres, we train more than 75,000 crewmembers yearly. We also offer modelling and simulation software to various market segments and, through CAE's professional services division, we assist customers with a wide range of simulation-based needs. <u>www.cae.com</u>

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